

Minutes of Policy & Finance Committee

Meeting Date: Tuesday, 17 November 2020, starting at 6.30pm
Present: Councillor S Atkinson (Chair)

Councillors:

S Bibby	M Hindle
A Brown	S Hirst
S Carefoot	S Hore
J Clark	D Peat
S Fletcher	J Rogerson
M French	R Thompson
J Hill	

In attendance: Chief Executive, Director of Resources, Director of Community Services, Director of Economic Development and Planning, Head of Financial Services, Head of Revenues and Benefits, ICT Manager.

Also in attendance: Councillor R Newmark

798 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillor A Knox.

799 MINUTES

The minutes of the meetings held on 21 January 2020 and 4 February 2020 were approved as a correct record and signed by the Chairman.

800 MINUTES OF EMERGENCY COMMITTEES

The minutes of the meetings held on 20 August 2019, 23 October 2019, 9 March 2020, 7 May 2020, 5 June 2020 and 10 August 2020 were circulated to the Committee.

In relation to Minute 650 of the Emergency Committee held on 7 May 2020 it was suggested that with reference to appointments being carried forward into the 2020/21 municipal year that the Mayor and Deputy Mayor receive 50% of their allowance.

RESOLVED: That Committee

1. approve the minutes of the Emergency Committees; and
2. agree to pay 50% of the Mayoral and Deputy Mayoral allowance for the financial year 2020/21.

801 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of pecuniary and non-pecuniary interest.

802 PUBLIC PARTICIPATION

There was no public participation.

803 REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from Representatives on Outside Bodies.

804 COVID-19: FINANCIAL UPDATE

The Director of Resources submitted a report providing an update regarding the latest financial information concerning Covid-19 and asking Members to agree next steps with regard to budget preparation for 2020/21.

The Secretary of State for MHCLG had announced various tranches of un-ringfenced emergency funding for local authorities for Covid related spending pressures. Ribble Valley Borough Council had been allocated £803,272. Each month a detailed Government survey had to be completed on Covid-19 local authority financial management information outlining estimated spend, income and cash pressures attributable to Covid-19 and expenditure of emergency Covid-19 funding. Details regarding the expenditure were outlined for the Committee. To date £671k had been identified as total spending pressure, leaving a balance of £132k unallocated at this stage.

On 2 July 2020 the Secretary of State had also announced a new scheme to reimburse councils for lost income from sales, and fees and charges due to Covid-19. Detailed guidance had been issued which set out the various principles that defined relevant losses. Councils would absorb the first 5% of all relevant irrecoverable losses compared to their original budget, with the Government compensating councils for 75p in every pound of loss thereafter. The first return for the period April – July had resulted in a claim of £193k in respect of losses.

The Director of Resources also reported upon other specific Covid funding including that for small business grants, retail, hospitality and leisure grants and discretionary business grants for which £18.926m had been received; surge enforcement funding for which £21,956 had been received; and test and trace support payment scheme for which a total of £55,684 had been allocated to cover programme costs, administration costs and discretionary payments.

She reported that on 17 October 2020 when Lancashire entered the Tier 3 Very High alert level the Department of Health and Social Care had announced funding to support proactive containment and intervention measures at a level equivalent to £8 per head of population. This equated to around £480k for the Ribble Valley area and was expected to be paid to LCC for onward disbursement. In addition to support for closed businesses there was additional funding equivalent to £20 per head would also be provided by the Government to support businesses more generally who are a key part of the local economy.

Following the announcement of the second national lockdown on 5 November 2020 guidance had been issued to Clinically Extremely Vulnerable (CEV) individuals on how to protect themselves during this period. Funding would come via LCC and was expected to be approximately £28k based on our numbers.

The Director of Resources informed Committee that on the same returns referred to earlier, estimated losses on Business Rates and Council Tax had to be included. Discussions had taken place with council taxpayers who were in arrears to make alternative payment arrangements and the Government had announced a Council Tax Hardship Fund for which we received £222k although it was anticipated our total payments would exceed that amount by the end of the financial year. Contact was also being made with business ratepayers who are in arrears to discuss payment arrangements.

With regard to business rates for 2021/22, the Government had announced that the Fair Funding review and implementation of 75% Business Rate Retention would no longer be implemented in 2021/22. Following a question raised with regard to pooling preferences, after careful consideration the Council had responded that we wished to continue as a member of the Lancashire Pool next year although it was acknowledged that any member could pull out once the provisional local government settlement was announced which would mean the whole pool would fall.

With regard to budget preparation for 2021/22, the Director of Resources reported that the Government had reduced the planned spending review to a one-year review for 2021/22 which would be announced on 25 November 2020. The Budget Working Group had met and concluded that due to the uncertainty surrounding the Covid pandemic that the budget should be prepared on the base budget plus inflation with the expectation that any variance due to Covid would be made good by the Government. It had also agreed that a new fifth year should not be added to the 5 year capital programme at this stage.

Members acknowledged the difficult and ever changing aspects of the pandemic and the position this put the Council in with regard to finances.

RESOLVED: That Committee

1. agree with the actions taken with regard to Covid financial matters; and
2. agree with the Budget Working Group that the 2021/22 budget preparations be based on the base budget plus inflation with the expectation that any variance due to Covid would be made good by the Government and that a fifth year is not added to the 5 year capital programme at this time.

805 COVID-19: GRANTS UPDATE

The Director of Resources submitted a report providing Committee with an update regarding the various Business Support Grants awarded during the Covid pandemic and informing them of the latest grant schemes announced due to further local and national restrictions.

She reminded Members that back in March in response to Covid-19 the Government had announced support for small businesses, and businesses in the retail, hospitality and leisure sectors. The Council was awarded £18.926m for these two grant funding schemes a total of £17,260,000 had been paid out to 1,544 businesses.

On 1 May 2020 additional discretionary funding of £867,750 was also made available to target small businesses with high fixed property-related costs that were not eligible under the prior schemes. For this, authorities had to design their own scheme under the guidance issued. This had been done in consultation with the Leader and Shadow Leader using the delegated powers of the Chief Executive and three application rounds had followed with a total of £867,000 being awarded.

The Director of Resources informed Committee of the latest support schemes for businesses following both the Tier 3 local restrictions and national restrictions. £30m had been negotiated for Lancashire for Tier 3 restrictions and further grant support was now available for the national restrictions.

The Director of Resources gave an update at the meeting of the grants currently being administered. These included the Local Restriction Support Grant (Closed) Tier 3 Scheme that had gone live on 2 November 2020. To date 60 applications had been received out of an anticipated 90, of which 30 had been processed for payment. The Local Restriction Support Grant (Closed) Addendum – National Lockdown Scheme had gone live on 12 November 2020 with grants payable based on rateable values. Over 200 had been received out of an anticipated 750 that were currently being processed. This scheme had now been more widely publicised.

The Local Restriction Support Grant (Open), to primarily support businesses in the hospitality, leisure and accommodation sectors during Tier 2 and Tier 3 restrictions had commenced on 22 September 2020 and ended on 5 November 2020 when we entered national lockdown restrictions. There would be no separate application process for Open grants, as they would be automatically considered when processing LRS (closed) applications

The final grant available at this stage was the Additional Restrictions Grant that had yet to be determined. The Council had received a one-off sum of £1.2m to last the next 6 – 18 months to support businesses who had been severely impacted by restrictions but who were not eligible under any of the other schemes. A priority order was suggested for the distribution of this fund.

Committee thanked the officers for the work carried out in administering all the different grants.

RESOLVED: That Committee agree with the approach taken to administer the Local Restrictions Support Grants, specifically that:

- two online application processes had been opened - one for businesses who were legally required to close due to the Tier 3 local restrictions and one for businesses who were required to close due to the national restrictions;
- eligibility for Tier 2 and Tier 3 Open grants would automatically be considered whilst processing successful applications for closed businesses in the hospitality, leisure and accommodation sectors;
- businesses that have remained open and not been legally required to close due to the local Tier 3 and the national lockdown restrictions and operate in the hospitality, leisure and accommodation sectors may be

eligible to receive an Additional Restrictions Support Grant (ARG) when the Council launches this scheme; and

- the Emergency Committee be convened to consider and approve the Council's Additional Restrictions Grant Scheme.

806 TREASURY MANAGEMENT POLICIES AND PRACTICES 2020/21

The Director of Resources submitted a report asking Committee to review, approve and adopt the Treasury Management Policy Statement and Practices for 2020/21.

The Treasury Management Policies and Practices document governs the way we manage our investments. It is reviewed on an annual basis to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. The Code identifies 12 areas where statements of treasury management practices should be developed to implement the full requirements of the Code.

The Treasury Management Practices are split in to key principles and schedules which cover the detail of how the Council will apply the key principles in carrying out its operational treasury activities.

Since the Treasury Management Policy Statement and Treasury Management Practices were approved in April 2019, there had been a number of minor updates made to the Schedules within the document which had been highlighted accordingly.

RESOLVED: That Committee

1. formally adopt the Treasury Management Policies and Practices document as outlined in the report, incorporating:
 - Treasury Management key principles;
 - Treasury Management Policy Statement;
 - Treasury Management clauses;
 - Treasury Management practices and schedules; and

2. recommend to Council the Treasury Management Policies and Practices 2020/21.

807 CAPITAL AND TREASURY MANAGEMENT STRATEGY

The Director of Resources submitted a report seeking Committee's approval for the Council's Capital and Treasury Management Strategy for the 2020/21 financial year.

The report outlined that Local Authorities are required by the Local Government Act 2003 to have regard to both CIPFA's Code of Practice on Treasury Management in the Public Service and to CIPFA's Prudential Code for Capital Finance in Local Authorities.

It is a key principle of the Code of Practice on Treasury Management that public service organisations should put in place comprehensive objectives, policies and

practices, strategies and reporting arrangements for the effective management and control of their treasury management activities. The Prudential Code imposed on Local Authorities clear governance procedures for the setting and revising of a range of Prudential Indicators that are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

A full review of the document had taken place and updated where necessary and was attached for committee's approval prior to approval by Council.

*** RESOLVED: That Committee recommend to Council the Capital and Treasury Management Strategy as set out in the report. ***

808 LOCAL COUNCIL TAX SUPPORT SCHEME 2021/22

The Director of Resources submitted a report recommending a Local Council Tax Support Scheme for 2021/22 to Full Council.

Committee were reminded that as part of the package of welfare reform measures, the Government had decided to abolish Council Tax benefit from 1 April 2013 and replace it with locally determined schemes of Council Tax support. Our scheme matched the previous Council Tax benefit scheme but was set to cap the maximum reduction in support for working age claimants to 12% each year. Each billing authority was required to consider the scheme that it has in place each year and a table outlining the position across Lancashire was included in the report.

The Local Government Finance Bill imposes a duty on billing authorities to consider whether to revise or replace its scheme by 11 March each year and to consult with major precepting authorities and other persons likely to have an interest in the scheme if any significant changes are proposed.

Ribble Valley Borough Council currently grant approximately £1.06m in Local Council Tax Support to 1,012 pensioners and £1.113m to 1,286 working age claimants.

Committee were informed that no significant changes other than maintaining and uprating income disregards, non-dependant deductions, applicable amounts and premiums in line with housing benefit were proposed.

In March the Government had announced a Council Tax Covid-19 Hardship Fund 2020/21 to deliver relief to council tax payers. The allocated sum of £222,053 was based on our share of the national caseload for working age Local Council Tax Support recipients at 31 December 2019 and the Government expected us to provide a further £150 reduction in their annual bills. As a result of the Covid-19 pandemic, the working age caseload has increased by 25.1% and to date £209,149.29 had already been paid out. Based on these current demands for awards it was anticipated that our allocation would be spent in full by 31 December 2020. The Director of Resources informed committee that local authorities, including ourselves had made representation to the Government requesting additional funding.

RESOLVED: That Committee

- i) recommend to Full Council the approval of the Local Council Tax Support Scheme for 2021/22 as outlined in the report; and
- ii) agree to continue to award the minimum £150 hardship payments to eligible Council Tax payers and lobby the Government to reimburse us accordingly.

809 COMMITTEE MEETINGS CYCLE FROM JANUARY TO MAY 2021

The Chief Executive submitted a report outlining the proposed meeting cycle for committees for the period January 2021 to May 2021. He reminded Members that following the onset of Covid-19 and the enforced national lockdown in March 2020 all Committee meetings had been cancelled. A subsequent meeting cycle had been agreed for the period July to December 2020 under the delegated powers of the Chief Executive in consultation with the Leader and Shadow Leader that had all taken place by ZOOM. A draft timetable had now been drawn up for the remainder of the municipal year from January – May 2021 for Members' approval. It was not yet known if these would take place in the Council Chamber or by ZOOM.

RESOLVED: That Committee approve the draft cycle of meetings for the period January to May 2021 as outlined in Appendix 1 to the report.

810 ADOPTION OF WORKING DEFINITION OF ANTISEMITISM

The Chief Executive submitted a report asking Committee to consider whether the Council should adopt the non-legally binding working definition of antisemitism. He informed Committee that earlier in the year the Leader had received a letter from the Secretary of State for Housing, Communities and Local Government encouraging the Council to formally adopt the International Holocaust Remembrance Alliance's working definition of antisemitism.

Committee were supportive of this move.

RESOLVED: That Committee recommend to Council that the International Holocaust Remembrance Alliance's working definition of antisemitism be adopted.

811 REFERENCES FROM COMMITTEE – HEALTH & HOUSING COMMITTEE

- i) Purchase of an Affordable Property in Clitheroe

The Director of Resources submitted a report asking Committee to consider a request from the Health and Housing Committee to agree to the approval of additional capital budget of £140,840 in 2020/21 for the purchase of an affordable property in Clitheroe and the associated repair works.

At its meeting the Health and Housing Committee had approved the request and the resolution of the meeting was outlined for Committee's information.

RESOLVED: That Committee

1. approve the request for the additional capital budget of £140,840; and
2. approve the use of the commuted sums to fund the additional revenue budget approval.
 - ii) Proposed Amendment to Disabled Facilities Grants Discretionary Grant Policy

The Director of Resources submitted a report asking Committee to consider a request from Health and Housing Committee to agree and approve the financial implications of the proposed changes to the Disabled Facilities Grants Discretionary Grant Policy.

At its meeting the Health and Housing Committee had approved the changes to the policy subject to this Committee approving the financial implications. A summary of the forecast financial impact was provided for 2019/20 and 2020/21 which showed the change to be affordable. However, it was pointed out that it should be borne in mind that there may be an increase in applications and that budgets available fluctuate yearly and that in this context it should be closely monitored.

RESOLVED: That Committee approve the proposed changes to the DFG policy from a financial perspective on the grounds that:

- the estimated additional costs in 2020/21 are likely to be contained within the 2020/21 DFG budget available; and
- The DFG budget would continue to be monitored so that all grant approval commitments in-year are confined to the yearly DFG budget available.

812 COVID-19 DELEGATED DECISIONS

The Chief Executive submitted a report for Members' information outlining the decisions taken by himself in consultation with the Leader, Deputy Leader and Shadow Leader under delegated powers given by the Emergency Committee on 7 May 2020 with regard to the Local Government Act 1972, the Coronavirus Act 2020 and other legislation governing local authority decision making.

RESOLVED: That the report be noted.

813 REVENUE AND CAPITAL OUTTURN 2019/20 AND MONITORING 2020/21

The Director of Resources submitted reports for committee's information on the following:

- i) Revenue Outturn 2019/20
- ii) Capital Outturn 2019/20
- iii) Overall Revenue Outturn 2019/20
- iv) Overall Capital Outturn 2019/20

- v) Revenue Monitoring 2020/21
- vi) Capital Monitoring 2020/21
- vii) Overall Revenue Monitoring 2020/21
- viii) Overall Capital Monitoring 2020/21

RESOLVED: That the report be noted.

814 COUNCIL TAX BASE 2021/22

The Director of Resources submitted a report for Committee's information on the Council Tax base for 2021/202. The Council Tax base was set each year between 1 December and 31 January and is an important calculation which sets out the number of dwellings to which Council Tax is chargeable in an area or part of an area.

To calculate the Tax base for an area, the number of dwellings in each Council Tax band is adjusted to take account of any discounts, premiums or exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D and the total across all eight bands is calculated. These are then multiplied by the authority's estimated collection rate for the year.

In respect of property in common occupation and also empty dwellings, as last year it was not proposed that any changes be introduced for the forthcoming year.

The Council Tax base has increased steadily over the period 2007/08 to 2013/14 but reduced in 2013/14 as a result of the introduction of the local Council Tax Support Scheme. However since then increases have averaged at 1.5% to 2% each year. The Council Tax base for 2021/22 is 24,007.

RESOLVED: That the report be noted.

815 REVENUES AND BENEFITS GENERAL REPORT

Committee considered a report which covered the following:

- National Non-Domestic Rates (NNDR);
- Council Tax;
- Sundry debtors;
- Housing Benefit and Council Tax support performance; and
- Housing Benefit overpayments.

RESOLVED: That the report be noted.

816 TREASURY MANAGEMENT ACTIVITIES AND PRUDENTIAL INDICATORS

The Director of Resources submitted a report informing Committee of the 2019/20 Treasury Management operations and the outturn calculations of the Council's capital and treasury management prudential indicators. It is a requirement of the Treasury Management Policies and Practices that Committee receives an annual report on the Council's Treasury Management activities that took place during the preceding financial year.

The report outlined the interest rates, borrowing requirements, investments, Prudential indicators and the Local Government Bonds Agency.

RESOLVED: That the report be noted.

817 TREASURY MANAGEMENT MONITORING 2020/21

The Director of Resources submitted a report for Committee's information on the Treasury Management activities for the period 1 April 2020 to 30 September 2020. The report outlined the following topics:

- Covid impact on operations;
- Public Works Loan Board;
- borrowing requirements;
- temporary investments;
- Prudential indicators;
- approved organisations;
- recent events; and
- exposures to risk.

RESOLVED: That the report be noted.

818 BUDGET WORKING GROUP MINUTES

The minutes of the Budget Working Groups held on 16 and 23 January 2020 were submitted for information.

819 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

Councillor Richard Sherras submitted a report for information on the work of the Armed Forces Champion and the Armed Forces Covenant and Councillor Hore submitted one as a representative on the Police and Crime Panel.

820 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next items of business being exempt information under Categories 1 and 3 of Schedule 12A of the Local Government Act the press and public be now excluded from the meeting.

821 LOCAL TAXATION AND HOUSING BENEFIT WRITE-OFFS

Committee considered a report asking them to approve the writing-off of a Council Tax debt and a Housing Benefit debt relating to overpayments created as a result of local authority error that cannot be recovered from the claimant.

RESOLVED: That Committee approve the writing-off of £1,225.27 of Council Tax debt and £3,997.72 of Housing Benefit debt where it had not been possible to collect the amounts due.

822 MICROSOFT 365 IMPLEMENTATION

The Director of Resources submitted a report seeking member approval for the preferred course of action for the successful implementation of Microsoft 365 and

approval of the additional resources required. This specifically related to the external provision of implementation work and resources for additional backup and security software required due to the nature of the organisation.

A number of quotes had been sought for the implementation work in line with the Council's Contract Procedure Rules and following evaluation of the 4 quotations received the most advantageous option was from Insight at a cost of £13,630. With regard to the additional software required, a number of quotes had been sought and evaluated with the most advantageous option being at a cost of £22,240 per annum.

Proposals for financing the costs were outlined in the report.

RESOLVED: That Committee

1. approve the appointment of consultancy services as proposed from Insight at a cost of £13,630 and that the associated increase in budget be funded from the Business Rates Growth Earmarked Reserve; and
2. approve the procurement of additional software as outlined at a total cost of £22,240 and that the associated increase in the budget be partly funded from savings seen in the vacant post of ICT Apprentice and partly from the Equipment Earmarked Reserve for 2020/21, and that going forward these costs are brought into the base budget.

823 REFERENCES FROM COMMITTEE – ECONOMIC DEVELOPMENT COMMITTEE

i) Clitheroe to Hellifield Rail Project

The Director of Resources submitted a report asking Committee to consider a request from the Economic Development Committee to agree to the overall budget in 2020/21 in respect of the production of a Strategic Outline Business Case to support the Clitheroe to Hellifield Rail Project which is identified in the Council's Economic Plan which also involves the approval of a virement of budget to this project.

At its meeting the Economic Development Committee had approved the request and the resolution of the meeting was outlined for Committee's information. It was pointed out that a virement would be required to transfer the available budget for use on this specific scheme.

RESOLVED: That Committee

1. approve the summary budget as outlined in the report, recognising that £20,230 be supported by a virement from the general Economic Development budget; and
2. approve the request for the virement of revenue budget of £20,230 from the general Economic Development budget to be used for this project.

The meeting closed at 8.10pm

If you have any queries on these minutes please contact Jane Pearson (425111).